

LAND BOARD AGENDA ITEM
January 22, 2008
PRELIMINARY APPROVAL FOR LAND BANKING ACQUISITION

Proposed Acquisition:

The property known as Tupper Lake, former Plum Creek lands currently owned by The Nature Conservancy (TNC), containing approximately 1777 acres has been identified as a potential acquisition. These acres are primarily forested with scattered small ponds and wetlands throughout. This parcel is encumbered with a conservation easement held by the United States Fish and Wildlife Service (USFWS) and is valued at approximately \$600 per acre for a total cost between \$1,000,000 and \$1,200,000.

Selection Considerations:

The Department has conducted a review of this tract nominated for acquisition per Administrative Rule 36.25.813 (3).

Access: With the exception of one 80 acre parcel, the tract is accessible by county and United States Forest Service roads. The 80 acre parcel will come with an access easement for resource management purposes and is publicly accessible during the hunting season through the Block Management Program. The tract has over two miles of common boundary with current Common School Trust Land.

Revenue: The predicted annual rate of return, over a 60 year period is estimated at 1.7% to 2.0%. The timber resource consists 30 to 40 year old mixed conifer, well spaced by past per-commercial thinning of approximately 1000 acres. Commercial thinning will need to occur within 15 to 20 years. The remaining forested acres are well stocked with 15 to 20 year old mixed conifer that will require some pre-commercial thinning and will provide commercial harvest opportunities during the 60 year financial analysis period.

Multiple Use: The tract provides excellent wildlife habitat for a wide variety of large and small game animals plus water and riparian areas for waterfowl. The property has a long history of public use permitted by previous forest industry land owners and TNC. Local communities and sportsmen strongly support this acquisition.

Location: The property is located approximately 10 miles east of Ovando and 12 miles northwest of Lincoln, Montana.

Cooperation: DNRC has worked cooperatively with the Blackfoot Challenge, TNC, USFWS, and the Blackfoot communities, to identify this proposed acquisition.

Upon preliminary approval, DNRC will continue to pursue the acquisition of this property by working with TNC, USFWS and the Blackfoot Challenge. Steps in this

process include securing a purchase agreement contingent upon findings of the due diligence as per Land Banking rule ARM 36.25.813 through 815. Due diligence includes a detailed inventory report of the property, appraisal, Phase 1 hazardous materials study, an in-depth financial analysis, and a survey, if needed, followed by final Land Board approval.

Agency Recommendation:

The Director recommends preliminary approval of the Tupper Lake track for further consideration for acquisition.

Tupper Lake Property

\$1 - 1.2 Million

Location: Located in the Blackfoot Valley approximately 10 miles east of Ovando, Montana and 12 miles northwest of Lincoln, Montana. All lands are located in Powell County.

Acreage: 1777.67

Carrying Capacity: The carrying capacity of the property is typical of forested lands in Western Montana. It is estimated that the property will support 284 cow/calf pairs between July and October annually. Currently, 410 acres are grazed by adjacent ranches and the remaining acres would be competitively bid upon acquisition of the property.



Crop Land: N/A

Stock Water: Stock water is available from many small pot holes and small streams on the property.

Irrigation: N/A

Timber: Approximately 1500 acres of the property is forested with the remainder in pot holes, wetlands and riparian areas. Much of the property was logged in the 1960's and was either planted or regenerated naturally. Approximately 1000 acres was pre-commercially thinned and is now reaching merchantable size. The existing composition is ponderosa pine, Western larch, Douglas fir, lodgepole pine and minor amounts of other conifers. Aspen and cottonwood stands are found around the wetland areas. It is estimated that the current merchantable volume is in excess of 2.2 MMBF. Productivity estimates indicate that the forested lands should grow at a rate of 150 BF per acre per year. The slope of the terrain is predominately in the 5-20 % range with a minor amount of steeper grounds. The property is ideally suited for timber management.



Fencing: The existing grazed lands are fenced and the remainder is partially fenced. The land that would be bid out for grazing would need to be completely fenced before it could be utilized.

Improvements: The property is fully roaded to accommodate all future forest and grazing management needs.

County Taxes: Not available

Precipitation: 15-20 inch range.

The Tupper Lake property, also known as Golden Pines for its stands of Western larch, is currently owned by The Nature Conservancy (TNC) who purchased it from the Plum Creek Timber Company. The property has a conservation easement held by the United States Fish and Wildlife Service (USFWS). The conservation easement protects the property from future development in order to maintain the extensive wetlands and abundant wildlife habitat. The property is home to elk, deer, bear, mountain lions, occasional wolves, turkeys, grouse and many other non-game species. Golden pond and Ward creek have fishable populations of Brook Trout.

The property has a long history of public recreational use for hunting, fishing and snowmobiling that was allowed by former industrial forest land owners and currently by TNC. The property is included in the Block Management Program

Tupper Lake Property

administered by the Montana Department of Fish, Wildlife and Parks. It is bounded on the west by a county road and on the east by United State Forest Service land. On the north is a State section and private lands and on the south a State section, Bureau of Land Management land and small private parcels.

Legal Description:

Township 15 North, Range 10 West, P.M.M. Powell County

Section 19: SE1/4, SE1/4NE1/4, E1/2SW1/4	280.00 acres
Section 30: Government Lots 1-4, E1/2W1/2, E1/2	618.84 acres
Section 31: Goverment Lot 1, SW1/4NE1/4, NW1/4SE1/4	117.76 acres

Township 15 North, Range 11 West, P.M.M. Powell County

Section 25: All east of county road, less COS 385	431.07 acres
Section 35: SE1/4, SE1/4NE1/4, Portions of NE1/4NE1/4, SW1/4NE1/4, E1/2SW1/4, SW1/4SW1/4 Lying south and east of county road	<u>330.00 acres</u> 1,777.67 acres

